



# Kansas Health Care Stabilization Fund

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## Bulletin 2014-4

TO: Insurance Agents and Companies Authorized to Offer Professional Liability Insurance to Kansas Health Care Providers

FROM: Charles L. Wheelen, Executive Director, Health Care Stabilization Fund

DATE: July 11, 2014

SUBJECT: Fiscal Year 2015 HCSF Surcharge Rates and Related Information

On July 10, 2014 the Health Care Stabilization Fund Board of Governors decided to maintain current surcharge rates for the balance of fiscal year 2015 which concludes June 30, 2015. The Board also adopted surcharge rates for the two additional professions and three additional facilities that will be defined as health care providers beginning January 1, 2015. Copies of the surcharge rates are appended to this bulletin. These are the same rates that were promulgated last year for fiscal year 2014, but the five new categories of health care providers are added to the three tables of rates.

The following information remains important for successful completion of pertinent documents.

- A. HCSF Class Groups for Chiropractors, Nurse Anesthetists, Podiatrists, Physicians and Surgeons:** Insurers are to identify the HCSF Rate Classification Number for each health care provider based on his or her profession and medical specialty as described on pages 4 – 5 of the instructions. The classification number of the individual health care provider will determine the corresponding HCSF classification group. There are detailed instructions on pages 6 – 7 for health care providers who are in HCSF Classification Group 3. General descriptions of each group can be found on page 8 of the instructions.
- B. Fund Surcharge System Procedures:** The procedures are described on page 9 of the instructions.
- C. Annual Surcharge Rate Tables for Fund Class Groups 1 through 20:** Insurers must utilize the HCSF surcharge rate tables appended to this bulletin for purposes of determining the surcharge payment for health care providers in classification groups 1-20 that are issued basic professional liability insurance policies with effective dates on or after July 1, 2014.
- D. Annual Surcharge Rate Tables for Fund Class Groups 21 through 24:** Insurers must utilize the HCSF surcharge rate tables appended to this bulletin for purposes of determining the surcharge payment for health care providers in classification groups 21-24 that are issued basic professional liability insurance policies with effective dates on or after January 1, 2015.
- E. Missouri Modification Factor:** All Kansas resident health care providers who are also licensed to practice in Missouri must pay an additional **30%** surcharge. If a health care provider is no longer practicing in Missouri, the Missouri license can be converted to inactive until such time the licensee wishes to resume his or her Missouri practice. The additional surcharge is not required if the license is inactive.

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**F. Notice of Termination:** The provisions of K.S.A. 40-3402(a)(2) require that notice of termination be provided to the HCSF Board of Governors 30 days prior to the termination date if the termination is initiated by the insurer. If instead the termination is initiated by the insured health care provider, the notice of termination must be provided to the HCSF Board of Governors within ten days after termination of coverage. For a number of reasons, there are occasions when a health care provider requests cancellation of an insurance policy and immediately purchases another policy. A typical example is when a health care provider changes employers and the new employer agrees to make payment for professional liability insurance. Because K.S.A. 40-3402(a)(1) allows a 30 day period for submission of the notice of basic coverage, there is often a period of about 20 days when it appears that a health care provider is not in compliance with K.S.A. 40-3402. This invokes the provisions of K.S.A. 40-3416 which requires the HCSF Board of Governors to make a report to the state agency that licenses the health care provider and requires the licensing agency to investigate. The HCSF staff endeavors to avoid reports to the licensing agencies whenever possible.

**If it is known that a health care provider is purchasing another professional liability insurance policy upon cancellation of existing coverage, please inform the HCSF Board of Governors in the notice of cancellation. Insurer assistance is appreciated.**

Health Care Stabilization Fund Surcharge Rates (Effective July 1, 2014 - June 30, 2015)

OPTION 1\*

[\$100,000 per claim subject to \$300,000 annual aggregate limit]

Fund Class Group	General Description	1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance	5th Year of Fund Compliance
1	physicians	\$ 68	\$ 177	\$ 277	\$ 306	\$ 342
2	physicians	\$ 154	\$ 398	\$ 624	\$ 690	\$ 773
3	physicians	\$ 212	\$ 546	\$ 861	\$ 951	\$ 1,063
4	physicians	\$ 237	\$ 613	\$ 962	\$ 1,061	\$ 1,189
5	physicians	\$ 257	\$ 670	\$ 1,054	\$ 1,165	\$ 1,301
6	physicians	\$ 301	\$ 777	\$ 1,223	\$ 1,351	\$ 1,510
7	physicians	\$ 224	\$ 580	\$ 915	\$ 1,009	\$ 1,129
8	physicians	\$ 576	\$ 1,490	\$ 2,348	\$ 2,592	\$ 2,898
9	physicians	\$ 580	\$ 1,495	\$ 2,357	\$ 2,599	\$ 2,910
10	physicians	\$ 846	\$ 2,192	\$ 3,454	\$ 3,810	\$ 4,265
11	physicians	\$ 1,423	\$ 3,675	\$ 5,790	\$ 6,390	\$ 7,148
12	chiropractors	\$ 50	\$ 112	\$ 179	\$ 196	\$ 219
13	nurse anesthetists	\$ 75	\$ 194	\$ 303	\$ 335	\$ 378
14	podiatrists	\$ 166	\$ 429	\$ 674	\$ 745	\$ 832
15	Availability Plan	23%	23%	23%	23%	23%
16	business entities	22%	22%	22%	22%	22%
17	hospitals & A.S.C.s	22%	22%	22%	22%	22%
18	C.M.H.C.s	22%	22%	22%	22%	22%
19	psychiatric hospital	22%	22%	22%	22%	22%
20	residents in training	22%	22%	22%	22%	22%
additional classification groups as of January 1, 2015:						
21	physician assistants	22%	22%	22%	22%	22%
22	nurse-midwives	22%	22%	22%	22%	22%
23	assisted living and residential health care facilities	22%	22%	22%	22%	22%
24	nursing facilities	22%	22%	22%	22%	22%

\* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.

Health Care Stabilization Fund Surcharge Rates (Effective July 1, 2014 - June 30, 2015)

OPTION 2\*

[\$300,000 per claim subject to \$900,000 annual aggregate limit]

Fund Class Group	General Description	1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance	5th Year of Fund Compliance
1	physicians	\$ 119	\$ 308	\$ 486	\$ 537	\$ 600
2	physicians	\$ 267	\$ 693	\$ 1,094	\$ 1,208	\$ 1,354
3	physicians	\$ 368	\$ 957	\$ 1,508	\$ 1,663	\$ 1,862
4	physicians	\$ 417	\$ 1,070	\$ 1,687	\$ 1,860	\$ 2,079
5	physicians	\$ 455	\$ 1,170	\$ 1,844	\$ 2,035	\$ 2,276
6	physicians	\$ 526	\$ 1,358	\$ 2,142	\$ 2,363	\$ 2,641
7	physicians	\$ 394	\$ 1,013	\$ 1,601	\$ 1,765	\$ 1,975
8	physicians	\$ 1,010	\$ 2,607	\$ 4,108	\$ 4,536	\$ 5,074
9	physicians	\$ 1,014	\$ 2,616	\$ 4,124	\$ 4,551	\$ 5,090
10	physicians	\$ 1,485	\$ 3,833	\$ 6,041	\$ 6,670	\$ 7,460
11	physicians	\$ 2,491	\$ 6,428	\$ 10,133	\$ 11,180	\$ 12,509
12	chiropractors	\$ 76	\$ 197	\$ 312	\$ 344	\$ 384
13	nurse anesthetists	\$ 129	\$ 337	\$ 532	\$ 586	\$ 659
14	podiatrists	\$ 290	\$ 749	\$ 1,180	\$ 1,304	\$ 1,458
15	Availability Plan	35%	35%	35%	35%	35%
16	business entities	33%	33%	33%	33%	33%
17	hospitals & A.S.C.s	33%	33%	33%	33%	33%
18	C.M.H.C.s	33%	33%	33%	33%	33%
19	psychiatric hospital	33%	33%	33%	33%	33%
20	residents in training	33%	33%	33%	33%	33%
additional classification groups as of January 1, 2015:						
21	physician assistants	33%	33%	33%	33%	33%
22	nurse-midwives	33%	33%	33%	33%	33%
23	assisted living and residential health care facilities	33%	33%	33%	33%	33%
24	nursing facilities	33%	33%	33%	33%	33%

\* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.

Health Care Stabilization Fund Surcharge Rates (Effective July 1, 2014 - June 30, 2015)

OPTION 3\*

[\$800,000 per claim subject to \$2,400,000 annual aggregate limit]

Fund Class Group	General Description	1st Year of Fund Compliance	2nd Year of Fund Compliance	3rd Year of Fund Compliance	4th Year of Fund Compliance	5th Year of Fund Compliance
1	physicians	\$ 150	\$ 387	\$ 610	\$ 674	\$ 753
2	physicians	\$ 340	\$ 873	\$ 1,376	\$ 1,522	\$ 1,699
3	physicians	\$ 465	\$ 1,202	\$ 1,895	\$ 2,093	\$ 2,339
4	physicians	\$ 519	\$ 1,342	\$ 2,117	\$ 2,339	\$ 2,616
5	physicians	\$ 570	\$ 1,471	\$ 2,318	\$ 2,558	\$ 2,861
6	physicians	\$ 662	\$ 1,707	\$ 2,690	\$ 2,969	\$ 3,322
7	physicians	\$ 495	\$ 1,276	\$ 2,012	\$ 2,219	\$ 2,482
8	physicians	\$ 1,270	\$ 3,278	\$ 5,166	\$ 5,699	\$ 6,377
9	physicians	\$ 1,276	\$ 3,289	\$ 5,183	\$ 5,721	\$ 6,399
10	physicians	\$ 1,869	\$ 4,820	\$ 7,596	\$ 8,387	\$ 9,379
11	physicians	\$ 3,128	\$ 8,083	\$ 12,736	\$ 14,058	\$ 15,724
12	chiropractors	\$ 95	\$ 246	\$ 389	\$ 429	\$ 481
13	nurse anesthetists	\$ 166	\$ 423	\$ 671	\$ 740	\$ 827
14	podiatrists	\$ 364	\$ 941	\$ 1,485	\$ 1,638	\$ 1,833
15	Availability Plan	40%	40%	40%	40%	40%
16	business entities	38%	38%	38%	38%	38%
17	hospitals & A.S.C.s	38%	38%	38%	38%	38%
18	C.M.H.C.s	38%	38%	38%	38%	38%
19	psychiatric hospital	38%	38%	38%	38%	38%
20	residents in training	38%	38%	38%	38%	38%
additional classification groups as of January 1, 2015:						
21	physician assistants	38%	38%	38%	38%	38%
22	nurse-midwives	38%	38%	38%	38%	38%
23	assisted living and residential health care facilities	38%	38%	38%	38%	38%
24	nursing facilities	38%	38%	38%	38%	38%

\* The additional surcharge for Kansas resident health care providers with an active Missouri license is 30%.